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CASUAL AND CHRONIC UNEMPLOYMENT

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“Unemployment.” In the one word is summed up a problem of tremendous importance to any industrial city. It is moreover a problem to be faced by our generation. No other obstacle to our growth as an industrial nation is less likely, however, to be successfully combated unless our leaders—industrial, educational and religious—keep our attention focused upon it. On the other hand, it can be confidently asserted that there is no one of the unfortunate conditions of our industrial life more possible of control than this one, if manufacturers, educators, the laboring class, and others interested will so view it.

There should be excluded from the present discussion the type of unemployment resulting from “hard times,” changes in the tariff, or world-wide fluctuations in trade. We have in mind rather what might be called chronic unemployment and casual employment. Even during good times, and of course to a greater degree during average and poor times, there is a large amount of actual unemployment of types and due to causes that are almost ignored in popular discussions of the subject. It is to these phases of the problem that special attention should be directed.

There has of late been much talk about employment bureaus, private, municipal and state, and even national. There is an important field for such agencies if they can be organized in harmony with democratic ideals. They are at best, however, only mitigating agencies and cover but a small part of the whole field. Such agencies will be principally of use as emergency measures during those times when conditions of trade are upset.

We in the United States have progressed far enough along the path of civilization to make it advisable in discussing such problems as this to put the emphasis on what happens when conditions are normal. We have great sympathy for those who are thrown out of employment by changes in national policy or by the invention of new machines, or by other unusual causes over which neither

the worker nor the employer has much control. The object of this paper, however, is to call attention to the fact that the great burden of unemployment under which this and every other industrial center groans is due rather to the blindness of individuals, to tradition, to lack of organization, and other causes, which, if studied, can very largely be removed. Such a study should enlist the interest of the employing class as well as those they employ. We are too apt to look upon anything like the unemployment problem that is fundamentally troublesome in industrial conditions as due to what are known in insurance circles as "Acts of God." We accept such conditions as having been imposed in the general scheme of things and not to be successfully combated. We do not realize how largely we human beings are responsible for what is wrong.

There has been going on in this country, for a number of years past, experimental work in this field, which would indicate that practically all of the burdensome chronic unemployment can be prevented if we make up our minds we are going to do it. Let me give just a few examples of the kind of unemployment I have in mind:

Molly Brown is engaged on piece work and has been in the habit of making eight dollars a week. If during the first four days of the week she is given what are known as "fat jobs" and has already earned her eight dollars by Thursday night, the forewoman sees to it that she gets little or no work on Friday or Saturday. Why? Because if Molly should earn nine dollars or perhaps ten dollars at piece rate this week, the forewoman is afraid that she will begin to rate herself as a nine dollar or ten-dollar girl and that would be troublesome. The net result from an economic standpoint is two days of unemployment.

Again, in certain textile mills, it is the practice to carry on the pay roll a larger number of men than can be given work at any given time. This is done usually from two motives. The manufacturer wants to be sure of his help when he needs them for getting out orders. On the other hand, he has a kindly interest in his men and feels that to keep a certain number of his men on part time is better than actually to discharge some of them. In both attitudes it seems to me the manufacturer is mistaken. Through lowering the average net pay of his employees, he reduces the efficiency of his plant. On the other hand he demoralizes the workers through

training them to casual or interrupted employment. This practice is so general in some communities that a large percentage of the workers are incapable of continued employment. After they have been engaged for a certain number of weeks, or at most, months, they have to lay off. They cannot stand the strain of even a relatively short work day if continued week after week. Certain other manufacturers who do not like the idea of laying men off for whole days at a time or even one day, accomplish the same result by shutting down one or more departments early in the afternoon. Of course, the net result is the same. It would be a good deal better both for the manufacturer and his men if the number of employees should be kept chronically below rather than above the number to whom full time can be paid.

Another cause of unemployment is what seems like a wrong conception of the relations between selling and manufacturing. During the last twenty years the importance of selling as compared to manufacturing has been apparently greatly exaggerated. The selling end usually controls. The thought seems to be that the operations of the selling staff at any one time are limited. But there goes with this the assumption that whatever the selling staff can accomplish must be met by the manufacturing end of the business and this whether it involves cutting the output in half or doubling it. It may mean doubling the number of employees engaged on manufacturing and making them work time and half time, or it may mean discharging half the employees. The attitude should be that both the selling and manufacturing arms of a business should have like opportunities but like responsibilities. The selling force should be so organized that they can keep the manufacturing side going, so that day to day, week to week, and month to month, fluctuations in the number of employees do not occur. Obviously, this is not a problem in which a 100 per cent result can be obtained, but in many establishments, with which I am familiar, overtime has been practically cut out and rush seasons have disappeared.

In one shoe concern they have a special department which during dull seasons makes standard lines at a somewhat reduced cost. These goods are disposed of through special selling agencies and are manufactured only in order to equalize the load, and to keep men employed when otherwise they would be laid off. This

same concern has six men in the field in different parts of the world studying and trying to anticipate as far ahead as possible the demands of the market. These men do not sell. They simply observe trade conditions in order to get the earliest possible notice of either a heightened or lowered, or changed demand. This reduces the amount of unnecessary manufacturing. It notifies employers long in advance of forces operating toward a change in the number of employees in any department or in the establishment as a whole. It frequently happens that these forces when anticipated can be counteracted. It is almost impossible to conceive that under good management there is any necessity for such violent changes in the number of employees as we saw in Philadelphia during the winter of 1913-1914. Some years ago in Philadelphia one concern operating in a standard line had approximately 19,000 employees on January 1 and between 8,000 and 9,000 employees working part time six weeks later. Lack of organization could be the only possible excuse for such a tragedy. It would be indeed a wonderful industrial community that could absorb men laid off at any such rate as this.

The study of this problem in the shoe concern above referred to has been going on for ten years. The concern had an output last year of considerably over \$10,000,000 and is very successful. While in the shoe trade generally eight to ten weeks a year is considered a conservative estimate of the period of unemployment, this concern has reduced it, through its studies, to less than five per cent, which includes the regular vacation period allowed every employee.

Another cause of these more insidious types of unemployment is the fact that most workers know how to do but one thing. When I served my apprenticeship as a machinist, I was associated with men who were boring mill hands, lathe hands, vise hands, or something else. In other words, they secured their livelihood by operating practically one type of machine. Obviously, when there was no work for this particular type of machine they were laid off. In some of the industries with which I have been associated since that time, there has been created the organization for teaching people how to do as many things as they are capable of learning. If work of one kind runs out, they can be shifted on to something else. Notwithstanding the general impression to the contrary,

there is no reason why this scheme cannot be practiced as a part of the shop procedure which the labor unions hold is the best adapted to promote the prosperity of the worker. There must be the broadest possible assurance that this will never be done in order to cut wages. Good faith in this as in every other matter is at the root of high efficiency. In one establishment that I know, owing to this coaching in doing more than one thing, none of the women employees was laid off for an hour during the year 1913. The entire force was kept engaged. There had accompanied this change an average increase in wages among the workers affected of about twenty per cent. One concern which does not believe in welfare work employs a factory nurse. Her work costs \$1.69 per employee per year. Her main job is to keep the workers well so that they can make full time. Will any one question that she is a good "buy"? I know three small concerns in a small town who jointly employ a nurse.

Every country in the world is discussing the minimum wage. Invariably the discussion hinges on the proper amount to be paid a man or a woman for a week's service. I want to submit that it will not be many years before this will give way to a discussion as to what constitutes a proper annual compensation for men and women. After all, what I am interested in is my annual income. This is the vital thing with my fellow-workers in every grade. You can give a man or woman \$20 a week, but if you employ him only six months in the year and he is unable to secure employment from anybody else for the remainder of the year, his actual weekly income is \$10. This is an extreme case but everyone can suggest abuses in his own experience which illustrate the principle. The manager of a concern employing 800 employees told me recently that he had given orders that he should be shown at the end of each quarter the average weekly wage for the entire quarter of every employee, and he expects to see the same thing at the end of the year. This employer feels that his employees are to be permanent employees. They are members of his industrial family, in whose prosperity he is vitally interested. He has reached the conclusion inevitable under scientific management that if he is going to be prosperous, he must pay high wages and have high-class people working for him. He must make quite an investment in educating every such employee. It is to this employer's interest to hold this

asset in his own employ. It is to the interest of the worker so educated to stay where he can make the most of his accomplishments. On the other hand, I have before me the case of an employer who retires his entire staff once in every two years. Efficient management under such conditions is impossible. The lower the class of labor the less the importance which seems to attach to permanence and continuity of employment.

To sum it up, it would be a great and good thing if some citizen or group of citizens would establish a university chair or chairs on unemployment, the function of which would be to organize a study of the causes of both the chronic and the exceptional types of unemployment and make suggestions to our manufacturers and workers as to the best means of reducing it.

Inasmuch as the problem of unemployment is absolutely tied up to that of efficiency, and interwoven with it, it is one that will have to be solved. Those industrial communities that do not bear their part in its solution will inevitably suffer the consequences. A successful outcome will only be possible if the work is undertaken as a joint responsibility of both the employers and their men. Both sides must bring to its solution the broadest spirit of sympathy and zeal.